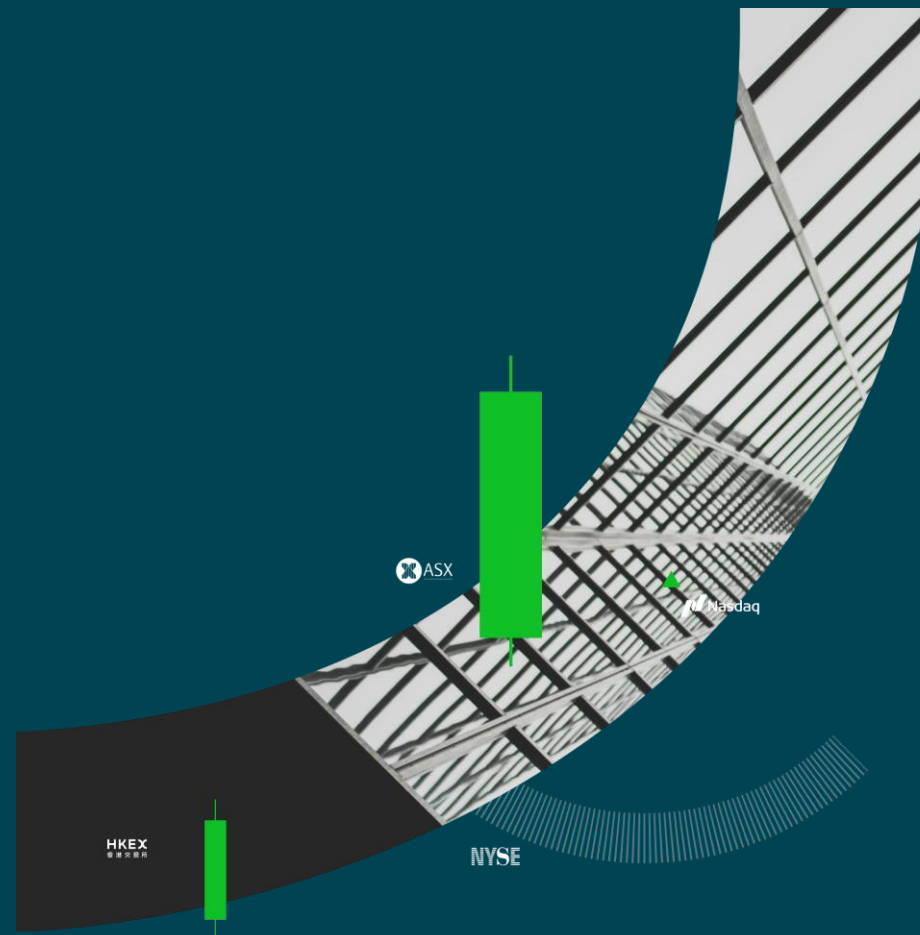




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# H1 24 Results

Half Year Ended 31 December 2023



# H1 24 overview

<p>Revenue down 6% to</p> <p><b>\$13.6 m</b></p> <p>pcp \$14.5 m</p>	<p>FUA* up 14% to</p> <p><b>\$10.1 bn</b></p> <p>pcp \$8.9 bn</p>
<p>Underlying EBITDA up 45% to</p> <p><b>\$3.5 m</b></p> <p>pcp \$2.4 m</p>	<p>Active Traders** steady at</p> <p><b>128.6 k</b></p> <p>pcp 128.4 k</p>
<p>Underlying EBIT up 79% to</p> <p><b>\$3.2 m</b></p> <p>pcp \$1.8m</p>	<p>Operating cash flows up 125% to</p> <p><b>\$1.3 m</b></p> <p>pcp \$0.6m</p>
<p>NPAT up \$1.5 m to</p> <p><b>\$1.6 m</b></p> <p>pcp \$0.1m</p>	<p>Cash balance up 11% to</p> <p><b>\$12.0 m</b></p> <p>pcp \$10.8m</p>

## Key callouts:

- Continued profitability after maiden profit in FY23
- Record half year NPAT of \$1.6m, up \$1.5m
- Operating cash flow up 125% to \$1.3m
- Have now achieved five consecutive quarters of positive cash flow.
- Strong financial position with cash balance now at \$12m and no debt
- FUA up 14% and Active client base retention is stable
- Focus on scaling the business to be positioned for growth
- Trading conditions were subdued with ASX market trading volumes down compared to the previous corresponding period (pcp).

\* Funds Under Administration includes Australian, US and HK securities and customer cash expressed in Australian dollars

\*\* Active Traders are portfolios that are ready to trade, with cash and/or equities in their portfolio

# H1 24 Performance Metrics

PROFIT & LOSS SUMMARY \$000's	H1 24	H1 23	PcP
Interest Revenue	9,862	9,681	2%
Trading & Other Revenue	3,702	4,787	(23%)
<b>Total Revenue</b>	<b>13,564</b>	<b>14,468</b>	<b>(6%)</b>
<b>Gross Profit</b>	<b>9,755</b>	<b>10,029</b>	<b>(3%)</b>
Gross Profit Margin %	72%	69%	
<b>Underlying EBITDA*</b>	<b>3,545</b>	<b>2,446</b>	<b>45%</b>
Underlying EBITDA Margin %	26%	17%	
<b>Underlying EBIT*</b>	<b>3,230</b>	<b>1,801</b>	<b>79%</b>
Underlying EBIT Margin %	24%	12%	
<b>NPAT**</b>	<b>1,634</b>	<b>101</b>	<b>1,521%</b>

COMPANY METRICS	H1 24	H1 23	PcP
<b>Active Traders (Vol.'000's)</b>	<b>128.6</b>	<b>128.4</b>	<b>0%</b>
<b>Funds under administration (A\$bn)</b>	<b>10.1</b>	<b>8.9</b>	<b>14%</b>
<b>Customer cash (A\$m)</b>	<b>413</b>	<b>583</b>	<b>(29%)</b>
<b>Trading volumes ('000's)</b>	<b>360</b>	<b>456</b>	<b>(21%)</b>
<b>Operating cash flow (A\$000's)</b>	<b>1,327</b>	<b>591</b>	<b>125%</b>
<b>Company net cash position (A\$m)</b>	<b>12.0</b>	<b>10.8</b>	<b>11%</b>

## Focus on profitable growth:

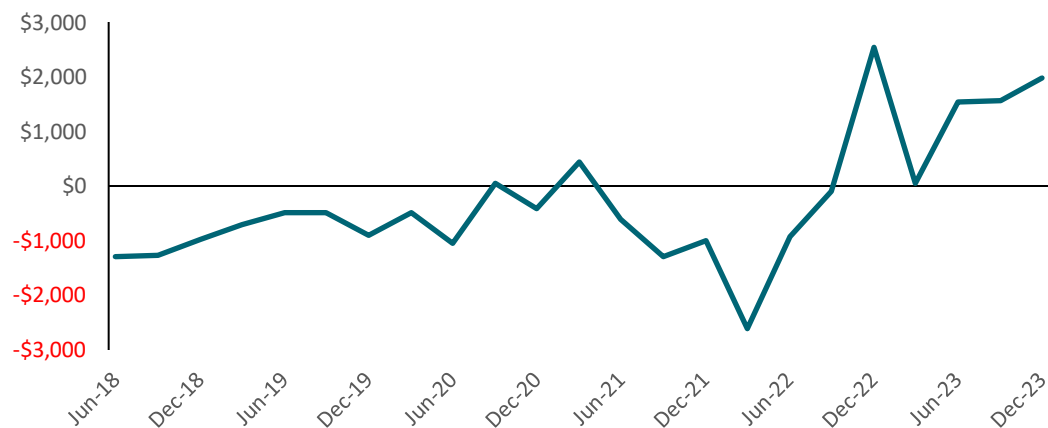
- Underlying EBITDA for the half was \$3.5 million excluding non-recurring cost reduction implementation expenses totaling \$1.8 million
- While active traders has remained steady, the composition of high value customers has increased
- Operating expenses have decreased 20.7% pcp from \$8.2m to \$6.5m (excluding non-recurring expenses which include impairment and cost reduction implementation expenses)
- Deliberate customer acquisition strategy to focus on high value customers
- YoY FUA continues to grow notwithstanding a significant decline in broader equity trading volumes
- The new leadership team focused on scaling the business to be fit for purpose and positioned for long-term, sustainable growth

\* Underlying EBITDA and EBIT in H1 24 excludes \$1.8m non-recurring cost reduction implementation expenses

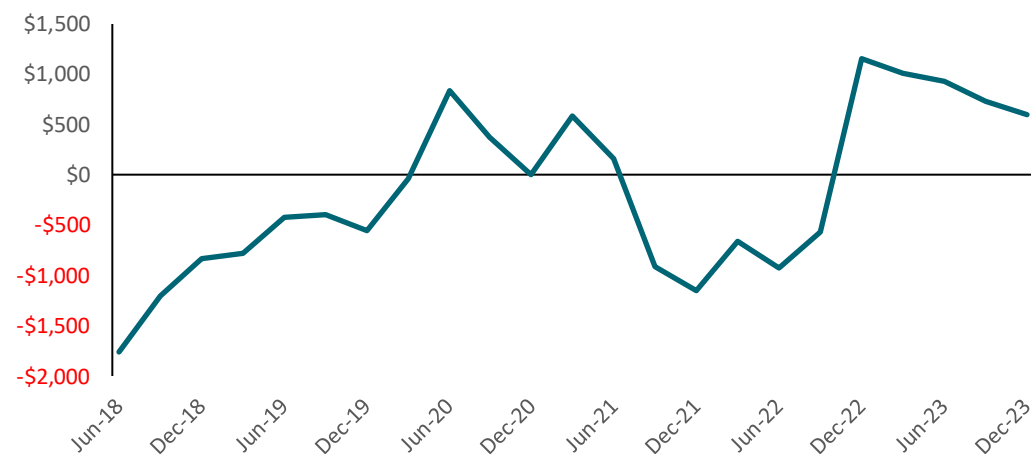
\*\* NPAT not adjusted for non-recurring items

# Continued growth momentum in key metrics

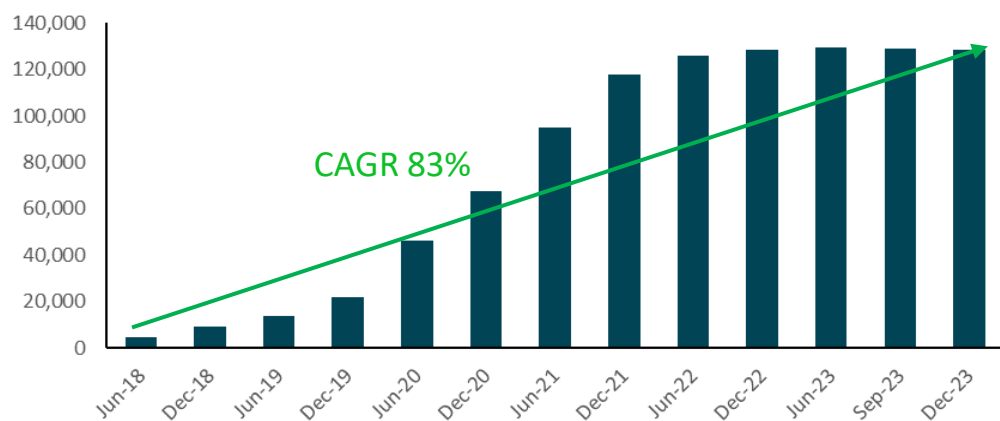
Quarterly Underlying EBITDA (\$'000)



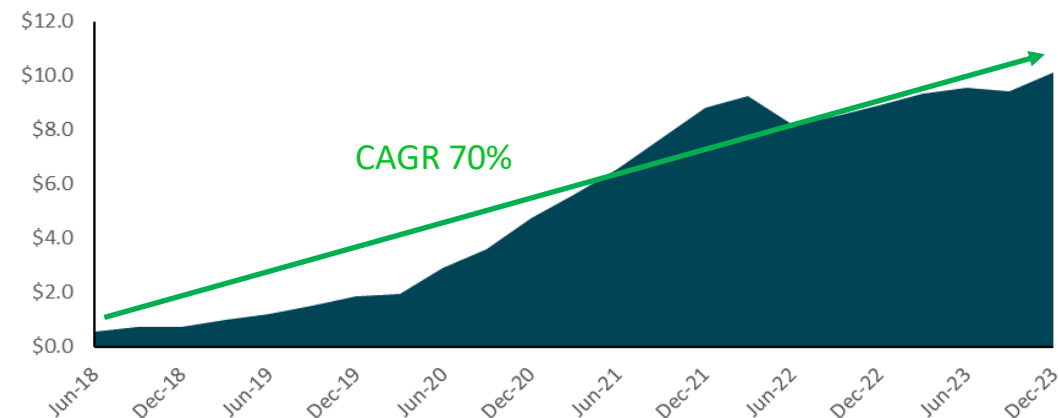
Quarterly Net Operating Cash Flow (\$'000)



Active traders on the platform



Funds Under Administration (\$bn)



Note: CAGR calculated using quarterly results from Sep 18 (FY19) – Dec 23 (FY24)

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# Strategic focus and delivery

The new leadership team focused on scaling the business to be fit for purpose and positioned for long-term, sustainable growth.

## **Trusted Brand**

Leading retail, 'fixed-cost, low-cost' broker differentiates Selfwealth and its offerings

1. A stable and simple to use platform at a fixed \$9.50 price and with no hidden commissions.
2. Focus on customers
3. Improving processes in the business.
4. Operating model enhanced to enable improved and nimble decision making

## **Elevated customer experience positions for growth**

1. Renewed focus on the segmented customer strategy to improve the customer experience (CX) with concentrated focus on High Net Worth (HNW) and active traders.
2. Increased focus on improving the platform to meet customer needs.
3. Exploring opportunities to provide suitable and attractive adjacent products and solutions to our loyal customer base.
4. Increased engagement, including face to face meetings, webinars, and deeper insights.

## **A stronger business**

1. Selfwealth has achieved five consecutive quarters of positive operating cashflow.
2. Funds under administration (FUA) and the customer base have continued an upward trajectory.
3. Specific focus on growing HNW and active traders with H1 FY24 average FUA per customer of \$79k, up 13.4% from \$70k pcp.

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# New leadership team

Relevant industry experience and expertise



**Craig Keary**

**Chief Executive Officer**  
(Appointed Oct 2023)

Over 30 years in financial services, with a strong depth of leadership experience in wealth, investments and share trading blue-chip global companies.

Will lead the business transformation and customer experience uplift to best in class.



**Paul Cullinan**

**Chief Commercial Officer**  
(Appointed Oct 2023)

30 years in financial services, as both in professional services and commercial roles including CFO and now CCO in rapidly growing businesses

Will drive business strategy, financial performance and drive equity value creation.



**Cameron McDonald**

**Chief Technology Officer**  
(Appointed Jan 2024)

30 years' experience in financial services technology, inc. State Street, HSBC, Challenger and Genworth.

Will oversee building out platform development, mobile and cyber security.

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## New leadership team (continued)

### Relevant industry experience and expertise



#### Erin McWilliams

**Head of People and Culture**  
(Appointed May 2023)

10 years' experience in large Fintech, inc. Xero and Culture Amp.

Will own the people and culture strategy and implementation, training and recruitment.



#### Samantha Powell

**Head of Marketing and Communications**  
(Appointed Jan 2024)

20 years' experience in wealth management and banking marketing, inc. Vanguard, NAB, BT and Macquarie.

Will reconfigure our value proposition to deliver a targeted and personalised experience.



#### Brendan Mutton

**Head of Partnerships and Sales**  
(Appointed Apr 2018)

25 years' experience in intermediary wealth distribution, inc. NAB and Macquarie.

Will drive the Adviser and HNW growth strategies.



#### Janelle McQueen – Paice

**Chief Experience Officer**  
(Appointed Feb 2024)

25 years' experience in financial services, inc. BT, Westpac and MLC Life Insurance.

Will own the improvement of digital led, user centric customer experience.

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# Summary

## H1 24 Highlights

- NPAT up by \$1.5 m to \$1.6m
- Continued profitability after maiden profit in FY23
- Funds under administration up 14%
- Achieved five consecutive quarters of positive operating cash flow
- Operating cash flow up 125% to \$1.3m
- \$12m Cash at 31 December 2023 and no debt
- Board renewal continued in the period with the appointment of Adam Lewis, ex-Managing Partner at McKinsey & Company
- Small parcel share buy back completed in January 2024.

## Competitive Advantage

- Leading retail, 'fixed-cost, low-cost' broker differentiates Selfwealth and its offerings
- Strong track record of growth since listing
- Ability to attract and retain a growing and loyal customer base
- Established and trusted leading challenger brand

## Scaling for growth

- While the ASX trading volumes were down for the period, Jan-24 trading volumes have noticeably increased
- Cost reduction program is now complete, with no impact on product or client experience
- Annualised cost savings of ~\$4.2m positions SelfWealth to reinvest in the business and capitalise on future growth
- Market leading capabilities will continue to be deployed to support our purpose of 'wealth building and management'
- New leadership team in place



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# Disclaimer

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# Selfwealth

